

## Message Text

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PAGE 01 STATE 118760  
ORIGIN XMB-04

INFO OCT-01 EA-09 ISO-00 AID-05 CIAE-00 COME-00 EB-07  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06  
SP-02 EPG-02 OMB-01 /060 R

EXIMBANK

DRAFTED BY XMB: K. O'BRIEN

APPROVED BY EB/IFD/ODF:FHTHOMAS

XMB: A. PILZER

EA/ANP:WLGALLAGHER

-----240420Z 016098 /13

R 232203Z MAY 77

FM SECSTATE WASHDC

TO AMEMBASSY WELLINGTON

UNCLAS STATE 118760

E.O. 11652: N/A

TAGS: BPRO

SUBJECT: EXIMBANK INQUIRY

REF: WELLIN 01713 100448Z

1. EXIMBANK'S LETTER TO BNZ DATED NOVEMBER 2, 1976  
INFORMED BNZ OF EXIMBANK'S DECISION NOT TO EXTEND THE  
AVAILABILITY DATE OF THE BANK'S CFF DUE TO THE BANK'S  
LOCATION IN A DEVELOPED COUNTRY AND THE BANK'S MINIMAL  
USE OF THE PROGRAM - ONE CFF EXPORT LOAN DURING THE  
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PREVIOUS 15 MONTHS. WE ARE NOT FAMILIAR WITH SUBSEQUENT  
CORRESPONDENCE DATED 12-14-76 DEALING WITH NEW EXIMBANK  
INTEREST RATES EFFECTIVE 1-15-77 AND SIGNED BY MR. PILZER.  
EXIMBANK DID SEND CABLES TO ACTIVE CI BANKS CONCERNING NEW  
CFF MATURITY TERM GUIDELINES EFFECTIVE JANUARY 15, 1977  
AND ITS POSSIBLE THAT BNZ RECEIVED THIS CABLE. BNZ'S  
REQUEST TO EXTEND THEIR CFF AVAILABILITY DATE WAS DENIED  
ON 11-2-76 AND THE CABLE DEALING WITH CFF MATURITY TERMS  
SHOULD NOT HAVE BEEN SENT TO BNZ. IF, IN FACT, THIS CABLE

WAS ERRONEOUSLY SENT TO THE BANK IT BY ITSELF DID NOT  
CHANGE THE INTENT AND FORCE OF EXIMBANK'S LETTER 11-2-76.

2. REGARDING BNZ'S FINANCIAL CONTACTS WITH BRANCHES, OR BANKS LOCATED IN LESSER DEVELOPED COUNTRIES, WE WOULD BE WILLING TO EXPLORE THIS PROSPECT. IF BNZ WOULD LIKE TO CONTINUE AS A CI BANK IN THE PROGRAM, IT MUST CONVINCE EXIMBANK THAT IT WILL USE ITS CFF LINE TO SUPPORT THE SALE OF U.S. EXPORTS TO BUYERS LOCATED IN LESSER DEVELOPED COUNTRIES. IT MAY BE POSSIBLE FOR THE BANKS IN TONGA AND SAMOA TO ESTABLISH THEIR OWN CFF LINES AND BECOME CI BANKS WITH BNZ AS GUARANTOR. WE ARE WILLING TO DISCUSS THIS POSSIBILITY.

3. ACCORDING TO OUR RECORDS, BNZ WAS FIRST AUTHORIZED A CFF LINE IN MAY OF 1972. THE FACILITY BECAME OFFICIALLY OPERATIVE IN MAY OF 1973 AND EXPIRED OCTOBER 31, 1976. DURING THIS PERIOD 3 EXPORT LOANS WERE AUTHORIZED, ONE LOAN APPLICATION WAS SUBMITTED AND WITHDRAWN VOLUNTARILY BY BNZ, AND ONE LOAN APPLICATION WAS DENIED BY EXIMBANK BECAUSE THE TRANSACTION'S CONTRACT PRICE EXCEEDED THE DOLLAR LIMITATIONS OUTLINED IN EXIMBANK'S LETTER OF JULY 7, 1976. AS STATED IN PART 2 OF THIS CABLE, EXIMBANK WOULD CONSIDER CONTINUATION OF BNZ'S CFF IF THE BANK AGREED TO SUPPORT LESSER DEVELOPED COUNTRY TRANSACTIONS AT THEIR OWN RISK AND WAS ABLE TO CONVINCE EXIMBANK THAT ACTUAL TRANSACTIONS WOULD BE FORTH COMING DURING THE UNCLASSIFIED

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COMING YEAR. VANCE

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## Message Attributes

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**Review Markings:**  
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